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C O N F I D E N T I A L KUWAIT 000097

SIPDIS

DEPARTMENT FOR NEA/ARP, NEA/IPA

E.O. 12958: DECL: 02/02/2019
TAGS: [PREL](#) [PHUM](#) [KPAL](#) [EAID](#) [ECON](#) [KU](#)
SUBJECT: AMBASSADOR STRESSES NEED FOR IMMEDIATE BUDGET
SUPPORT FOR PA TO MFA U/S

REF: A. STATE 8722
[1](#)B. KUWAIT 22
[1](#)C. KUWAIT 54
[1](#)D. 08 KUWAIT 990

Classified By: Econcouns Oliver John for reasons 1.4 (b) and (d)

[1](#)1. (SBU) On February 2, Ambassador used a meeting called by MFA U/S Khaled Al Jarallah to brief on the outcomes of the Arab Economic Summit and on the central role that Gaza played in the summit (septel) to urge the GoK to provide immediate budget support for the Palestinian Authority (PA). Ambassador stressed that Middle East Special Envoy Mitchell's trip demonstrated the USG's intensified engagement in the peace process and that support for the PA was an essential component to bringing peace and stability to the region. She thanked the GoK for its ongoing support for the Palestinians and urged that the GoK provide direct budget support, as well as development and humanitarian assistance, to the PA. She noted that the PA needed immediate funding in order to make its February 4 salary payments, including to the 77,000 PA employees in Gaza. Jarallah confirmed the GoK's interest in supporting Arab moderates with regard to Gaza, and confirmed the GoK's commitment to continuing to disburse its \$300 million Paris pledge (of which \$80 million was disbursed in 2008 via a World Bank trust fund mechanism), but did not make any commitments to providing immediate PA budget support.

[1](#)2. (SBU) Ambassador thanked Jarallah for the Amir's pledge of \$34 million to UNRWA made during the Arab Economic Summit (ref c). She asked whether this represented new money or a reprogramming of already pledged assistance. Jarallah confirmed that this was new money and was in response to UNRWA's emergency appeal (ref b).

[1](#)3. (C) Comment and Action Request: The GoK is facing sharp criticism from some members of Parliament for its support of PA President Mahmoud Abbas and the Arab moderates during the Gaza crisis. Almost half the members of the National Assembly signed a letter objecting to Abbas' attendance at the January 19-20 Arab economic Summit and a few parliamentarians publicly met with Hamas leadership in Syria. Several reportedly entered Gaza via tunnels to demonstrate their support of the affected Palestinians and, by extension, Hamas. Given these factors, post believes that a direct, high level approach from the PA to the GoK stressing the urgent need for budget support would have the best chance of shifting the strong GoK preference to "projectize" aid rather than to give cash. Otherwise, the GoK will continue to meet its Arab League commitments for budget support, but is unlikely to move quickly enough to meet the PA's immediate needs. End Comment and Action Request.

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